

820 KAR 1:056 Special limited charity fundraising event standards.

RELATES TO: KRS 238.505, 238.515(2), (4), (9), 238.545(4), 238.547

STATUTORY AUTHORITY: KRS 238.515(2), (4), (9), 238.545(4)

NECESSITY, FUNCTION, AND CONFORMITY: The Department of Charitable Gaming is authorized by KRS 238.515(2) to establish reasonable standards for the conduct of charitable gaming. KRS 238.545(4) requires a license in order to conduct a special limited charity fundraising event and authorizes the department to promulgate administrative regulations concerning special limited charity fundraising events. This administrative regulation establishes standards for the conduct of special limited charity fundraising events.

Section 1. Issuance of License. (1) An organization shall submit a complete, accurate, and verifiable application on Form CG-Schedule A, Charity Fundraising Event or Special Limited Charity Fundraising Event License Application, for a special limited charity fundraising event at least thirty (30) days prior to the scheduled date for the special limited charity fundraising event.

(2) A processing fee of twenty-five (25) dollars shall accompany each application for licensure.

(3) When the application is filed, the organization shall provide the department with a copy of the executed lease, if applicable.

(4) All information requested by the department shall be submitted and reviewed before a license shall be granted.

(5) The department shall issue a license, if the applicant possesses a regular charitable gaming license and has met the requirements for licensure set forth in KRS 238.505(18) and 238.547.

(6) The event shall not be advertised nor preregistrations taken until a license is issued.

(7) Once a license is issued, players may preregister for the event prior to the day of the event only if payment is received by credit card, check, or electronic fund transfer.

(8) A central bank shall be maintained in accordance with KRS 238.547(3).

(9) For all games that require a central bank to be used:

(a) The amount of money received for selling chips, scrip, or imitation money shall be the gross receipts:

(b) All chips, scrip, or imitation money redeemed shall be the payouts; and

(c) All money remaining shall be the adjusted gross receipts.

(10) Games requiring a predetermined amount of chips, scrip, or imitation money shall be precounted. Accurate records shall be kept of all chips, scrip, or imitation money sales, whether the sale is an initial entry fee or a later purchase of chips, scrip, or imitation money.

(11) If the special limited charity games are played as a tournament, then:

(a) A record of attendance shall be kept for the special limited charity games; and

(b) The cost to enter, the cost of the buy backs, the cost of the add ons, the rules of the game, the manner for raising blinds or closing tables, and the prizes shall be listed on the gaming occasion program. The prizes may be listed as a percentage of the receipts.

Section 2. Volunteers. (1) All volunteers involved in the conduct of a special limited charity fundraising event shall be trained in the proper conduct of the game and the control of funds.

(2) The chairperson shall:

(a) Be in charge of the licensed gaming occasion;

(b) Supervise and direct all volunteers; and

(c) Be responsible for assuring the proper receipt and recording of gaming funds.

Section 3. Equipment Used for Events. (1) Poker tables, blackjack tables, prize wheels, and chips, scrip, or imitation money shall not be considered charitable gaming supplies and equipment, and may be purchased from ordinary sources of supply. The organization shall not pay for poker tables, blackjack tables, prize wheels or chips, scrip, or imitation money from the charitable gaming account.

(2) Roulette wheels and craps tables shall be considered charitable gaming supplies and shall be obtained from a licensed distributor. The organization shall pay for roulette wheels and craps tables from the charitable gaming account.

(3) For the special limited charity games played at the event, the organization shall provide the department with a copy of the executed contract for the use of those supplies no later than thirty (30) days following the event. This contract shall specify exactly the items provided, at what cost, and from whom.

Section 4. Expenses. (1) The organization shall pay the gaming expenses for the event from the gaming account. All other expenses shall be paid from the general account.

(2) If an expense is both a gaming expense and a general expense, the expense shall be prorated pursuant to the amount of gross receipts obtained from gaming and nongaming events. The full amount shall be paid from the general account and the amount attributable to gaming shall be reimbursed from the gaming account to the general account.

(3) Food, beverages, and other items provided to participants without additional payment at an event where only gaming activity takes place shall be considered a promotional expense, if all participants are equally eligible.

Section 5. Incorporation by Reference. (1) Form CG-Schedule A, "Charity Fundraising Event or Special Limited Fundraising Event License Application", 5/15, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Charitable Gaming, Public Protection Cabinet, 132 Brighton Park Boulevard, Frankfort, Kentucky 40601, 8 a.m. to 4:30 p.m. (32 Ky.R. 817; 1293; 1655; eff. 3-31-2006; 33 Ky.R. 3528; eff. 8-31-2007; 40 Ky.R. 1482; 2140; eff. 4-4-2014; 42 Ky.R. 948; eff. 1-4-2016.)